



OFFICE OF THE GOVERNOR OF THE COMMONWEALTH OF VIRGINIA

NATURAL RESOURCES BUDGET BRIEFING

SENATE FINANCE AND APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT AND NATURAL RESOURCES

JANUARY 28, 2020

SECRETARY OF NATURAL RESOURCES MATTHEW J. STRICKLER

GOVERNOR NORTHAM'S NATURAL RESOURCES BUDGET PRIORITIES

- Chesapeake Bay / Water Quality
- Land Conservation & State Parks
- Agency Operations
- Climate Change & Resilience
- Historic Justice

CHESAPEAKE BAY/WATER QUALITY

- Stormwater Local Assistance Fund – **\$182,000,000**
 - VPBA bond proceeds
- Water Quality Improvement Fund/Point Source – **\$120,000,000**
 - VPBA bond proceeds
- Natural Resources Commitment Fund – **\$47,000,000** FY 21 Mandatory Deposit
\$41,800,000 FY 22 General Fund
- Oyster Reef Restoration – **\$10,000,000**
 - VPBA bond proceeds
- Alexandria Combined Sewer Overflow – **\$65,000,000**
 - VPBA bond proceeds

AGENCY OPERATIONS

- **DEQ – Increase of \$32,000,000 over the biennium**
Implement EO-6, restore Chesapeake Bay funds, support environmental justice
- **DCR – Increase of \$4,000,000 over the biennium**
Support for soil and water conservation, dam safety, state parks operations and maintenance
- **VMRC – Increase of \$1,250,000 over the biennium**
Add fisheries and habitat staff, boat motors, UAV pilot, IT upgrades
- **DHR – Increase of \$1,500,000 over the biennium**
Preservation staff, salary adjustments, highway marker program, archive space

AGENCY OPERATIONS - DEQ

TOTALS FOR THE BIENNIUM

	Personnel	Contractual	Equipment	Total
Air and water monitoring and compliance activities	\$3,465,000	\$2,463,200	\$5,760,104	\$11,688,304
Environmental justice and outreach initiatives	\$4,157,000	\$1,193,000	\$40,000	\$5,390,000
Regulatory Affairs	\$3,465,000	\$1,170,000	\$20,000	\$4,655,000
Enhance permitting capacity in water and land programs	\$2,079,000	\$1,600,000	\$0	\$3,679,000
Enhance water protection permitting capacity	\$2,466,000	\$0	\$0	\$2,466,000
Improve solid waste permit program efficiency	\$2,000,000	\$0	\$0	\$2,000,000
Increase Biosolids program capacity	\$898,800	\$0	\$0	\$898,800
Restoration and protection of the Chesapeake Bay	\$462,000	\$429,026	\$0	\$891,026
	\$18,992,800	\$6,855,226	\$5,820,104	\$31,668,130

AGENCY OPERATIONS - DCR

TOTALS FOR THE BIENNIUM

	Personnel	Equipment	Total
State park public highway signage	\$0	\$160,000	\$160,000
Dam safety lead engineer	\$341,516	\$0	\$341,516
Floodplain management positions	\$459,247	\$0	\$459,247
Soil and water nutrient management planner	\$229,640	\$0	\$229,640
Soil and water resource management planning	\$242,068	\$0	\$242,068
Green Pastures Recreation Area	\$0	\$552,187	\$552,187
State parks operations	\$0	\$1,112,000	\$1,112,000
State parks preventative maintenance	\$0	\$1,000,000	\$1,000,000
	\$1,272,471	\$2,824,187	\$4,096,658

AGENCY OPERATIONS – VMRC

TOTALS FOR THE BIENNIUM

	Personnel	Equipment	Total
Implementation of EO 24 and coastal resiliency projects	\$156,400	\$0	\$156,400
Enhance fisheries science and support developing fisheries	\$362,050	\$24,100	\$386,150
Implement aquaculture legislation and support oyster Bay restoration	\$474,544	\$115,000	\$589,544
Unmanned aerial vehicles to enhance search and rescue capacity	\$0	\$18,692	\$18,692
Improve Law Enforcement safety	\$0	\$96,436	\$96,436
	\$992,994	\$254,228	\$1,247,222

AGENCY OPERATIONS – DHR

TOTALS FOR THE BIENNIUM

	Personnel	Equipment	Total
Staff salary adjustments	\$278,656	\$0	\$278,656
Additional cemetery preservation funds	\$0	\$140,690	\$140,690
IT enhancements	\$0	\$414,412	\$414,412
Archeological Collections Space	\$0	\$150,000	\$150,000
Cemetery Preservationist	\$216,174	\$0	\$216,174
Additional Historic Highway Marker Funding	\$0	\$200,000	\$200,000
Digitize Historic Highway Markers for AA History Trail	\$0	\$100,000	\$100,000
	\$494,830	\$1,005,102	1,499,932

LAND CONSERVATION & STATE PARKS

- Virginia Land Conservation Fund – **\$20,000,000** per year
- Capital Investments in Virginia State Parks infrastructure – **\$144,000,000**
- Natural Area Preserves land acquisition – **\$6,500,000** NGF
- DGIF – improve WMAs and boating access, land acquisition – **\$9,250,000** NGF

HISTORIC JUSTICE & EQUITY

- Historic Highway Markers – **\$200,000**
- Virginia African American History Trail – **\$100,000**
- City of Richmond – **\$2,000,000** to expand the exhibition at Maymont "Below Stairs: In Service and Beyond"
- Charlottesville – **\$700,000** for permanent installation "Paradox of Liberty: Slavery at Jefferson's Monticello"
- Alexandria – **\$2,443,000** to support the purchase of the Freedom House

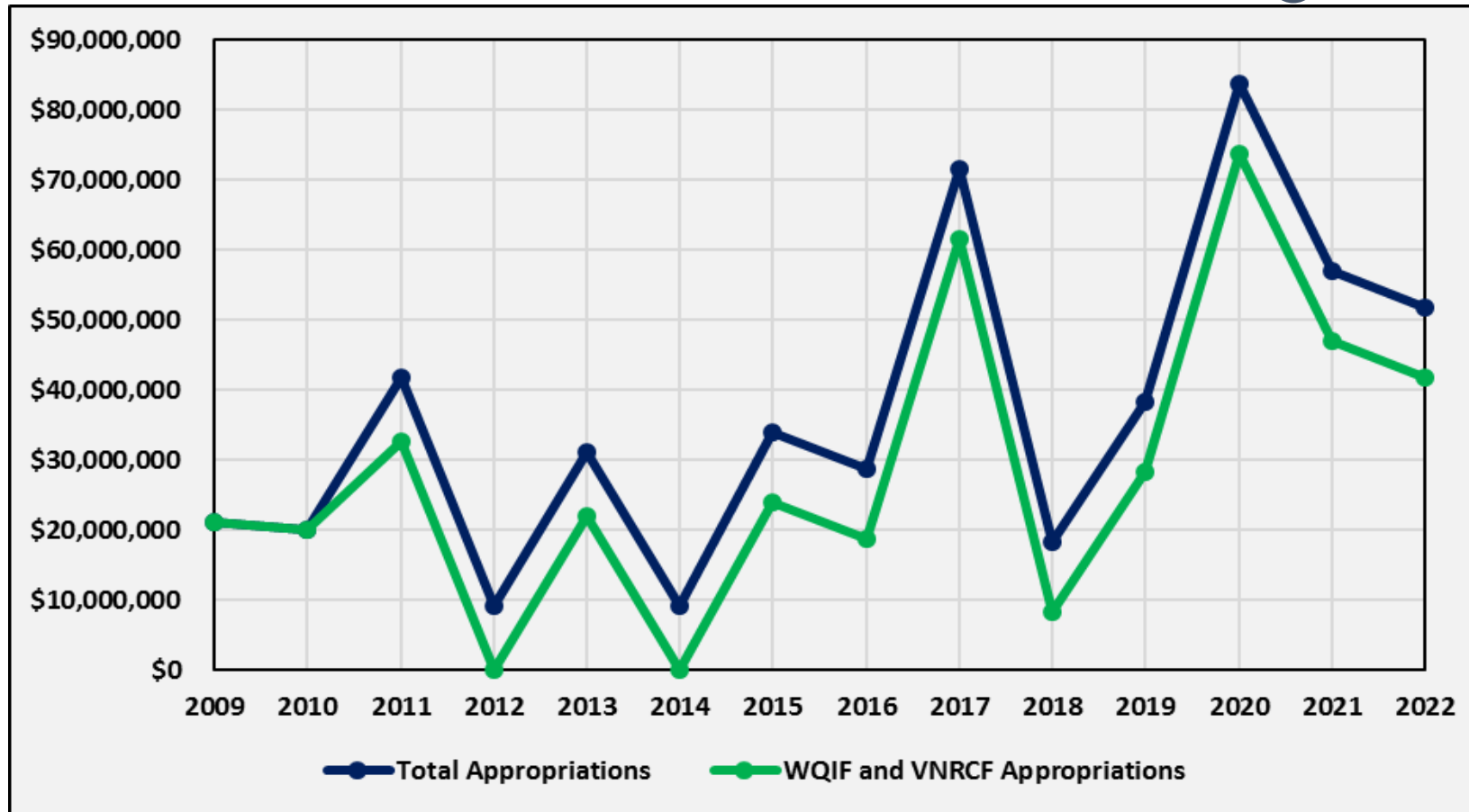
CLIMATE CHANGE AND RESILIENCE

- RGGI Administration Bills – HB981 (Herring) & SB1027 (Lewis)
- Dam Rehabilitation – **\$45,000,000** over the biennium (DCR, DGIF, SWCDs)
- Dam Safety Lead Engineer and floodplain management positions
- Coastal Resilience position at VMRC

PIPELINE MITIGATION FUNDS

- **Mountain Valley Pipeline – Requires Tree Clearing and Grubbing**
 - **Virginia Outdoors Foundation – \$15,000,000**
 - **\$6,942,036** Total Allocated (51.28%)/**\$6,942,036** Remaining (48.72%)
 - **U.S. Endowment for Forestry and Communities – \$5,000,000**
 - No funds expended
 - **Virginia Association of Soil & Water Conservation Districts – \$3,850,000**
 - No funds expended
 - **Virginia Environmental Endowment – \$3,000,000**
 - No funds expended
 - **U.S. Geological Survey – \$650,000**
- **Atlantic Coast Pipeline – Requires Final Notice to Proceed from FERC**

TOTAL APPROPRIATIONS VS. WQIF/VNRCF



SWCD administration and operations funds are not included. FY2021 and FY2022 appropriations based on Governor's introduced budget

NATURAL RESOURCES COMMITMENT FUND

	<u>FY 21</u>	<u>FY22</u>
• Conservation Reserve Enhancement Program	\$500,000	\$500,000
• Virginia Conservation Assistance Program	\$500,000	\$500,000
• Poultry Litter Transport and Resource Management Plan Program	\$750,000	\$750,000
• Virginia Department of Forestry Water Quality Grants	\$250,000	\$250,000
• Virginia Department of Conservation and Recreation Conservation Application Suite	\$250,000	\$250,000
• Water Quality Improvement Fund Reserve	\$4,857,829	n/a
• Soil and Water Conservation District Technical Assistance	\$4,790,144	\$4,570,000
• Agriculture BMP Cost Share, Chesapeake Bay Watershed	\$24,589,407	\$24,500,000
• Agriculture BMP Cost Share, Outside Chesapeake Bay Watershed	\$10,538,317	\$10,500,000

LAND CONSERVATION & STATE PARKS

DCR Capital Investments:

- Item C-40: Acquisition of Land for State Parks \$309,802
 - Mayo River, New River Trail, Seven Bends, Lake Anna, First Landing, Natural Tunnel, Sailor's Creek Battlefield, Shenandoah River, Wilderness Road, Westmoreland, Loudon, and Southwest Virginia Museum.
- Item C-41: Acquisition of Natural Area Preserves \$6,547,328
 - The Cedars, Bald Knob, Deep Run Ponds, Buffalo Mountain, Antioch Pines, Pinnacle, Mount Joy Ponds, Camp Branch Wetlands, Chestnut Ridge, Cleveland Barrens, Difficult Creek, Pedlar Hills Glades, Poor Mountain, South Quay Sandhills, Grafton Ponds, Cowbane Prairie, Bush Mill Stream, Cypress Bridge, Cape Charles, and Crow's Nest Natural Area Preserves.
- Item C-42: State Park Critical Infra. Repair/Residences \$25,000,000

LAND CONSERVATION & STATE PARKS

• Item C-43: Belle Isle State Park Mansion repairs	\$1,500,000
• Item C-44: State Park Shoreline Erosion Projects	\$5,000,000
• Item C-45: Soil and Water District Dam Rehabilitation	\$20,000,000
• Item C-46: Renovation of Existing Revenue Generating Cabins	\$31,158,000
• Item C-47: Revenue Generating Facilities	\$10,000,000
• Item C-48: New Revenue Generating Cabins at Various Parks	\$41,900,000

GENERAL FUND REDUCTIONS SINCE 2001

Category	Reductions to General Fund Appropriation (in millions)
Air Programs	\$1.34
Increase Permit Fees	\$8.70
Land Programs	\$0.82
Management/Administration	\$17.89
Non-Regulatory Program Reductions	\$1.62
Pass-Through	\$0.78
Revolving Loan Match	\$4.32
Supplant Non-General Funds for General Funds	\$7.51
Water Programs	\$3.45
Total	\$46.43

GOVERNOR'S BUDGET

ADDITIONAL FUNDING FOR DEQ

	Personnel	Contractual	Equipment MELP	Biennium Total	FY2022 FTE's **
Air and water monitoring	\$3,465,000	\$2,463,200	\$5,760,104	\$11,688,304	15
Environmental justice and outreach initiatives	\$4,157,000	\$1,193,000	\$40,000	\$5,390,000	18
Regulatory Affairs	\$3,465,000	\$1,170,000	\$20,000	\$4,655,000	15
Enhance permitting capacity in water and land programs	\$2,079,000	\$1,600,000	\$0	\$3,679,000	9
Enhance water protection permitting capacity	\$2,466,000	\$0	\$0	\$2,466,000	14
Improve solid waste permit program efficiency	\$2,000,000	\$0	\$0	\$2,000,000	9
Increase Biosolids program capacity	\$898,800	\$0	\$0	\$898,800	3
Restoration and protection of the Chesapeake Bay	\$462,000	\$429,026	\$0	\$891,026	2
	\$18,992,800	\$6,855,226	\$5,820,104	\$31,668,130	85
*MELP (Master Equipment Leasing Program)					
**DEQ did not request an increase in MEL (Maximum Employment Level) because we have so many unfunded positions					

SLAF 2019 NEEDS SURVEY RESULTS

	2021-2022 Biennium			Total
Applicant	FY20	FY21	FY22	FY20-22
Regulated	\$66,406,198	\$59,088,774	\$53,555,751	\$179,050,723
Unregulated	\$2,851,750	\$2,938,650	\$7,217,000	\$13,007,400
Available Funding	\$10,000,000			\$10,000,000
TOTALS	\$59,257,948	\$62,027,424	\$60,772,751	\$182,058,123

WQIF 2019 NUTRIENT REDUCTION NEEDS SURVEY RESULTS

	2019 - 2020 Biennium	2021-2022 Biennium	Total FY19-22
Estimated WQIF Eligible Grant Amount from the Needs Survey	\$21,201,452	\$109,772,076	\$130,973,528
Less: Current Unobligated Balance	\$10,500,000	\$0	\$10,500,000
Total Need	\$10,701,452	\$109,772,076	\$120,473,528

VOLKSWAGEN SETTLEMENT

\$93.6 million in settlement funding

- \$14M to build out a high powered statewide EV charging network through a contract with EVgo
- \$14M dedicated to electric transit buses
- \$20M for clean school buses, with a small carve out for propane buses when an electric bus is not feasible

Existing funding remains and the Administration is focused on several priorities to direct that funding:

- Prioritize electrification
- Reduce pollution in disadvantaged communities
- Catalytic investments (projects that spur additional projects or prove a concept)
- Dedicate all funding by the end of the Northam Administration

Funding requirements:

- Must be replacing a vehicle and that vehicle must be destroyed
- DEQ must mitigate the fugitive diesel emissions that were the result of the cheating vehicles that were in Virginia - we are well on track to do that

GOVERNOR NORTHAM'S NATURAL RESOURCES BUDGET PRIORITIES

QUESTIONS?